

## Message Text

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51

ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 AID-20 NSC-10 RSC-01 CIEP-02

TRSE-00 SS-15 STR-08 OMB-01 CEA-02 INT-08 SCEM-02

COME-00 L-03 H-02 PA-03 PRS-01 USIA-12 RSR-01 /128 W  
----- 025249

R 101308 Z MAY 73

FM AMEMBASSY OTTAWA  
TO SECSTATE WASHDC 1024  
INFO AMCONSUL CALGARY  
AMCONSUL TORONTO

UNCLAS OTTAWA 1139

E. O. 11652: N/ A

TAGS: ENRG , ETRD , CA, US

SUBJECT: PETROLEUM: OIL EXPORT LIMITATIONS, POSSIBLE " TWO  
PRICE SYSTEM"

REF: OTTAWA 1056 AND A-169

1. IN HOUSE OF COMMONS QUESTION PERIOD MAY 8, GRIER  
( NEW DEMOCRATIC PARTY- ONTARIO) NOTED CRUDE OIL PRICE  
INCREASES BY IMPERIAL, GULF CANADA, AND SHELL CANADA,  
WHICH HE ATTRIBUTED NOT TO COSTS BUT TO US DEMAND. GRIER  
ASKED MINISTER ENERGY, MINES & RESOURCES MACDONALD  
WHETHER GOC WOULD LIMIT EXPORTS SINCE CRUDE INCREASES  
WOULD LEAD TO PRODUCT INCREASES IN CANADA. MACDONALD  
REPLIED THAT EXPORTS ALREADY ARE LIMITED AND  
POINTED OUT THAT COST OF OFFSHORE OIL " INCREASING  
STEADILY BECUASE OF PRESSURES APPLIED BY OPEC COUNTRIES."  
MACDONALD ADDED, " WITH REGARD TO OTHER QUESTION  
WHICH MAY BE IMPLICIT IN COMMENT JUST MADE, WHETHER OR  
NOT PRICE IN WESTERN PART OF THIS COUNTRY SHOULD BE  
DIVORCED FROM INTERNATIONAL PRICE, THIS IS SOMETHING  
THAT WE ARE TAKING UNDER CONSIDERATION BUT NO DECISION  
ALONG THOSE LINES HAS YET BEEN MADE."

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WM WHEN GRIER PRESSED FOR CUT IN ALLOWABLE EXPORTS TO UNITED STATES TO DAMPEN UPWARD PRESSURE ON CANADA'S COST OF LIVING, MACDONALD SAID GRIER " MIGHT REFLECT ON THIS. IT IS NOT SO MUCH QUESTION OF ABSOLUTE LEVEL OF EXPORTS BUT WHETHER OR NOT WE SHOULD HAVE TWO- PRICE SYSTEM. AS I HAVE SAID, WE HAVE NOT YET REACHED ANY CONCLUSION IN THIS REGARD."

SCHMIDT

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NMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 MAY 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973OTTAWA01139  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Film Number:** n/a  
**From:** OTTAWA  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1973/newtext/t19730541/aaaaitsy.tel  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
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**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> mcm 980127  
**Subject:** PETROLEUM: OIL  
**TAGS:** ENRG, ETRD, CA, US  
**To:** CALGARY  
EB  
SECSTATE WASHDC  
TORONTO  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005